

Asarco tells USW of plans to expand two copper mines in Arizona

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Asarco, looking to take advantage of high copper prices, plans to expand two of its Arizona mines, a United Steelworkers union official said Wednesday.

Manny Armenta, USW District 12 sub-director, said Asarco discussed its expansion plans with the union during a Tuesday meeting in Tucson, Arizona.

"In general, they're taking advantage of the copper prices and need to expand a couple of mines," most likely the Ray and Mission operations, he said. Silver Bell, the company's third mine in Arizona, has less room for expansion because of its close proximity to national monuments.

Armenta said Asarco did not disclose specific plans for the expansions such as increases in production capacity. Asarco produces about 400 million pounds of copper annually from its Arizona mines.

Asarco told the union it was unable to expand the mines previously because of its lengthy bankruptcy proceedings. The company emerged from five years in Chapter 11 reorganization in late 2009, when federal courts allowed estranged parent Grupo Mexico to regain operational control of Asarco.

The company-union meeting was in preparation for upcoming labor talks. Armenta said, however, the two sides did not schedule a date to begin bargaining to replace a one-year contract extension that expires June 30.

Asarco officials could not be reached for comment Wednesday.

Asarco also operates a 720,000 tons/year smelter in Arizona and a refinery in Texas with a capacity of about 279.5 million pounds/year.

--Bob Matyi, newsdesk@platts.com

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